

REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

FRAUD HOTLINE ACTIVITY REPORT

FOR THE PERIOD
JANUARY 1 THROUGH DECEMBER 31, 2007

February 12, 2008



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Councilman Joe Shyne
Chairman, Shreveport City Council

Dear Councilman Shyne:

Subject: Fraud Hotline Activity Report

This report is to provide the City Council with information on the activities of the *Fraud Hotline* for the period of January 1 through December 31, 2007.

Please review the report. Should you have questions or comments, feel free to contact me.

Sincerely,

Leanis L. Graham, CPA, CIA
City Internal Auditor

BL:lp

c: City Council
Clerk of Council
Mayor
Chief Administrative Officer
BKD

FRAUD HOTLINE ACTIVITY REPORT
For Allegations Received During The Period
January 1 through December 31, 2007

During the reporting period, nine allegations of possible fraud, waste, and abuse were reported on the *Fraud Hotline*. Work on eight allegations was completed. A report on one allegation received in 2006 was issued during this reporting period. One allegation, *Fraud Hotline* Allegation 07-008, remained pending as of December 31, 2007. The following report details the disposition of investigations completed.

REPORTS ISSUED

Auditing Alert AA2007-01, Indication of Inadequate Internal Controls Associated With Gasoline Usage, dated March 20, 2007, issued to the Director of Shreveport Public Assembly and Recreation Department, (*Fraud Hotline* Allegation 06-007)

Auditing Alert AA2007-02, Indication of Inadequate Controls Regarding Retirement System Data, dated April 20, 2007, issued to the Finance Director, (*Fraud Hotline* Allegation 07-002).

Special Report, SR650007-07, City Courts–Computer Controls, dated December 19, 2007, (*Fraud Hotline* Allegation 07-003).

Auditing Alert AA2007-09, City of Shreveport Surplus Vehicle Consignment Auction Contract, December 21, 2007, issued to the Director of Finance, (*Fraud Hotline* Allegation 07-005).

OTHER ACTIVITY

- **Substantiated (or referred for corrective action):** Four allegations were substantiated and/or referred to the appropriate level of management for correction. (*Fraud Hotline* Allegations 06-007, 07-002, 07-003, and 07-005)
- **Non-substantiated:** Five allegations were not substantiated. (*Fraud Hotline* Allegations 07-001, 07-004, 07-006, 07-007, and 07-009)
- **Pending:** Disposition on one allegation remained pending. (*Fraud Hotline* Allegation 07-008)

Additionally, numerous calls were received and referred to other agencies including the Shreveport and Bossier City Police Departments, Internal Revenue Service, Social Security Administration, State Legislative Auditor's Office, State Social Services Department, Caddo Parish Sheriff, U.S. Postal Service, and others. None of these calls was assigned a case number.

Prepared by:

**Jose B. Lugo, CFE, CGFM
Staff Auditor**

Approved by:

**Leanis L. Graham, CPA, CIA
City Internal Auditor**

BL:lp